NATIONAL WOMEN'S LAW CENTER
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Higher Education, Recession, and COVID-19: What Students and Student Borrowers Need from a Federal Stimulus Package

Every student, regardless of who they are or where they come from, deserves to pursue their dreams. For many of the more than 10.2 million women pursuing post-secondary degrees, institutional and economic barriers already makes achieving that dream hard. And now the spread of COVID-19 has unleashed a health and economic crisis that threatens to derail the educational trajectory for those students completely and eviscerate any economic security women, who disproportionately carry student debt, have. Entire campuses have shut down indefinitely—leaving too many students in an emergency situation without housing, food or resources to participate in online learning. Student loan borrowers who have been laid off or face income reductions and job instability because of COVID-19 face further uncertainty about their ability to continue repaying their loans. Congress must act now to provide debt relief to borrowers and provide the necessary resources to enable colleges and universities to ensure all students are able to continue their educations with minimal disruption.

PROVIDING COVID-19 STIMULUS RELIEF TO STUDENT BORROWERS IS A GENDER JUSTICE ISSUE

Women hold two-thirds of the country's student debt, and on average borrow $3,000 more than men to attend college. Because of the wealth gap, the wage gap, and women's overrepresentation in low-wage jobs, women have less disposable income to repay their loans. As a result, women take more time to pay off their debt. Women already have been hit harder than men by coronavirus-related lay-offs and lost jobs, making it even harder to continue paying off their loans.

WOMEN STUDENTS ARE ALSO THE MOST VULNERABLE TO THE UNPRECEDENTED DISRUPTIONS IN HIGHER EDUCATION

For example, women make up 60 percent of first-generation college students—who are more likely to need financial aid, but less likely to take advantage of student supports like health services and academic advising. As a result, more than half (56 percent) of first-generation students do not attain a credential in six years, and disruptions from COVID-19 will make it even harder for these students to get the targeted resources they need.

Additionally, student parents, who make up 22 percent of college undergrads, face additional hardships and vulnerability in the current moment. Women account for 71 percent of the 4.3 million college students caring for dependent children and 1.7 million of those women are single mothers. Nearly half (44 percent) of student parents work full-time when enrolled, on top of their caregiving responsibilities, which are often heavier for enrolled mothers than for enrolled fathers. Being a student parent is already associated with higher levels of unmet financial need, lower levels of college completion, and higher levels of debt upon graduation. The impacts of abrupt school and child care closures, disruptions in work and financial aid, and potential job loss at this time will disproportionately and negatively impact student parents.

To adequately address the needs that women face during this national emergency, policymakers must take immediate action to reduce the impacts of lost work and school interruptions. In particular, Congress should build on the $14 billion earmarked for colleges and universities in the CARES Act and provide an additional $50 billion to:

PROVIDE RELIEF, SUPPORT, AND FLEXIBILITY FOR STUDENT BORROWERS BY TAKING THE FOLLOWING STEPS:

- ***Provide immediate monthly payment relief for federal student loan borrowers for the duration of this crisis, and cancel at least $30,000 in outstanding student loan debt per borrower.*** Stopping all payment requirements during the pandemic will allow borrowers to focus on more immediate and pressing needs, like housing, food, and child care. Although the CARES Act suspends payments on some federal loans for six months, it does not cancel any student debt. Additionally, more payment relief will be necessary if the crisis lasts longer than six months or is followed by a recession. Additionally, the CARES Act does not suspend payments for borrowers with commercially held federal loans, such as Perkins or FFEL loans. Providing debt relief and significant loan cancellation for all borrowers will reduce financial pressure on low-wage workers and workers impacted by layoffs and job instability during this pandemic—disproportionately women and, specifically, women of color.

- ***Ensure borrowers don't experience negative consequences for non-payment.*** Although the CARES Act ensures that any pauses in repayment count towards Public Service Loan Forgiveness and Income-Driven Repayment, Congress must provide additional relief from fees, penalties, and negative notations on credit scores during the pandemic. Additionally, Congress should provide a grace period to restart repayment to allow borrowers to continue focusing on immediate financial needs after the state of emergency ends.

- ***Cease interest capitalization and accrual*** through any pauses on borrower repayment.

PROVIDE EMERGENCY RELIEF AND FLEXIBILITY FOR CURRENT STUDENTS BY TAKING THE FOLLOWING STEPS:

- ***Continue to provide emergency financial aid and services for college students*** in need of food, housing, child care, and other necessities following abrupt school closures. This is particularly crucial for student parents who may be experiencing job instability and interruptions in child care support, in addition to school closures, and who are likely to have higher financial need in this moment. Although CARES Act provides some funding for these uses, more investments are needed to help fully meet students' financial needs.

- ***Prevent predatory for-profit institutions from exploiting students in the midst of an economic crisis.*** During the last recession, many students enrolled in predatory for-profit institutions—many of which defrauded students, leaving them with crushing debt and useless degrees. These students were disproportionately women, people of color, and first-generation college students. Although the CARES Act prohibits institutions from using emergency funding for the aggressive recruitment efforts typical at for-profits and exempts institutions that are entirely online from funding, additional measures are necessary to prevent for-profit schools from preying on historically marginalized students.

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The COVID-19 crisis should be a wake-up call to the need to make paying for and completing college possible for all students.